

**CITY OF LOS ANGELES**

**INTER-DEPARTMENTAL CORRESPONDENCE**

DATE: February 21, 2013  
TO: Christopher Pearson, Deputy Mayor  
Office of the Mayor  
FROM: Miranda Paster, Acting Chief  
Administrative Services Division

**SUBJECT: BUSINESS IMPROVEMENT DISTRICT PROGRAM: SPECIAL ASSESSMENTS SECTION**

**As per your request, please note the below listed items required to make the Special Assessments (BID Program) Whole**

**Positions required**

1 Chief Management Analyst  
1 Senior Management Analyst II  
1 Senior Management Analyst I  
3 Management Analyst II  
1 Field Engineering Aide  
3 Office Engineering Technician II  
1 Principal Clerk  
3 Senior Clerk Typist  
2 Accounting Clerk II  
Permanent Ombudsman in EDD for BID liaison between departments  
Public Counter Area and BID information Library for questions

**Systems and Hardware Support**

In addition to Personal Computers and desks, the Special Assessments Section will need the following in the EDD:

BID tracking and Billing System  
Ballot Scanning system (Proposition 218 ballots)  
SQL database server and software  
Cold Fusion software,  
Scanner,  
KOFAX software licensing and annual maintenance  
Systems support staff.

**Adequate Resources Required (Staff: Experience, Skills, Knowledge and Abilities)**

The Special Assessments Section (SAS) of the Administrative Services Division is the coordinating agency of the Citywide Business Improvement District Program. SAS collected \$44 million (2012) in assessments for disbursement to the Business Improvement Districts (BIDs) for the administration of their Council approved programs. Currently, there are 39 established BIDs and 10 BIDs in different stages of formation. As authorized by Ordinance, the programs and services provided by these BIDs support improved commerce in each of the 39 business improvement districts within the City of Los Angeles.

To execute the demands, requirements (legal and policy) and contractual obligations of the Citywide Business Improvement District Program, SAS requires a complement of 16 positions. This number includes a proposal for a Chief Management Analyst which would provide legal interpretation and guidance and institutional and political knowledge to the Program. An additional Sr. Clerk Typist for the billing section is also proposed. The deletion of one Office Engineering Technician II (OET II) position is proposed in the FY 2013-2014 budget process. The OET II positions are responsible for reviewing data submitted to the Special Assessments Section. In light of the new County data submission requirements and increased scrutiny of the data, this position should not be eliminated. The positions (16) required to ensure the Section is whole at EDD include: 1- Chief Management Analyst, 1- Senior Management Analyst II, 1- Senior Management Analyst I, 3- Management Analyst II, 1- Principal Clerk, 3- Senior Clerk Typist, 1-Field Engineering Aide, 3- Office Engineering Technician II, and 2- Accounting Clerk II in addition to Systems personnel support. To make the unit whole in the Office of the City Clerk, the following positions are required: 1- Management Analyst II, 1- Senior Clerk Typist, 1- Office Engineering Technician II.

**Permanent Ombudsman** - A permanent position is required as a liaison between Business Improvement Districts and the various City departments and bureaus to facilitate efficient access to City services, obtaining permits and other needs with limited paperwork and time restraints that will aide commerce and impediments incurred by the BIDs in the execution of their programs and activities.

### **Role of City Clerk personnel in BID administration**

In the role as coordinating agency, SAS staff support this program by: answering questions from public, stakeholders (business and property owners) and, BID Directors; attending and meeting with community groups interested in forming BIDs to assist them in the formation process; preparing documents for RFQs and RFPs of BID consultants and auditors; coordinating with Council Offices to ensure that there is support for the proposed BIDs; visiting proposed and current BID areas, reviewing Management District Plans and Engineer reports in meetings with consultants to promoting efficiency in facilitating the establishment of proposed BIDs according to State law, City Law and BID policy; preparing reports and Ordinances for the consideration of Council Committees and Council; preparing contractual agreements between the City and the respective non-profit corporation that administer the BID programs and activities; preparing invoices for the stakeholders for the collection and distribution of the assessment funds; monitoring BIDs by reviewing the Management District Plans and Annual Reports for compliance; monitoring the BID Trust Fund; working with City Attorney to monitor cases relative to BIDs in the State and the impact of outcomes of those cases on BIDs in the

City of LA; providing Best Practices Workshops for the BIDs and other training sessions for BID Boards (including Brown Act); and ensuring compliance with the City's fiduciary responsibility by receiving, reviewing the property data for submission to the County; invoicing, collection and disbursement of assessments, as well as investigating concerns regarding the BIDs, billing and other BID relating matters. The City Clerk's attends the Council meetings for BID items; monitors the number of protests to ensure in compliance with acceptable formation limitations, answers questions at Council and Council Committee meetings; and prepares and mails out notices for BID formation hearings, as well as conducts the State required Proposition 218 ballot proceedings . The SAS section attends the LA BID Consortium meeting to provide updates on items affecting the BIDs, City's budget, law changes, lawsuits, policy changes and receives information relative to items affecting BIDs and prepares the minutes for the BIDs before the next meeting. In addition, Systems Division created and supports BID module software for data by BID; supports upload of data to the Controller's Financial Management System for billing, as well as supports hardware and other software needs of the SAS unit. The City Clerk works in a liaison capacity between the BIDs and City Attorney's Office in various matters affecting BIDs.

### **Negative Impact of not making the Special Assessments Section Whole:**

The Department's inability to hire and/or retain adequate staffing levels with the requisite specialized knowledge, experience and skill set for the multi-faceted facilitation and project coordination of BID formation, administration and monitoring may result in a marked increase in inefficiency and slow down of work flow.

The City's credibility regarding its commitment to Business Improvement Districts may negatively be affected by its inability to sustain high levels of required service delivery to BID staff, stakeholders, proposed BIDs and to consultants.

Pursuant to State law, the BID assessments can be collected at the same time as the ad valorem property tax. The OET II positions verify the data submitted by the BIDs for the County property tax rolls. With the proposed elimination of the OET II position in the City Clerk's budget, data submission errors will be found by the County's audit. If the City data fails the County's audit, the City may be denied the ability to place the \$33 million in assessments on the County's property tax roll. The City's assessment collection rate is far less than the County's rate. Without adequate staffing to review the data submitted by the BIDs, the County could reject our submission of this assessment data. County rejection of BID data for assessment billing will relegate the City to internal invoice processing, as well as require the hiring of additional to handle the billing for the 39 BIDs. The County has about a 99% collection rate compared to the City's 65% to 85% collection rate. Without the assessments, the BIDs can not continue to do all of their planned security, cleaning, marketing, and landscape activities nor can they accurately plan their services which foster economic development within the City.

### **Information Systems Technical Support**

The City Clerk's Systems staff assists the Special Assessments Section with its BID and billing modules, in addition to uploading information to the billing system. The current billing process uses two programs, the BID module application and the Controller's Financial Management System, to create invoices for the property owners and business

owners in the Business Improvement Districts. Billing updates are entered manually into each application prior to the invoices being generated. Additionally, two billing profiles are created to generate invoices for the private and government stakeholders. The current process is time-consuming and duplicative since the same data is entered into both applications. There needs to be an interface between FMS and the BID application to transfer information between applications and reduce the dual entry into both applications. This will help to streamline the process and make it more efficient, thereby reducing costs and the time intensive process to produce the invoices and associated reporting.

The billing and technical research units need dedicated information systems technical support to maintain, modify and improve the current BID application functionality. Technical support should address the need for data reporting features; the ability to update multiple existing records simultaneously and create a new user friendly billing program that reduces monthly billing preparation time, as well as streamlines the billing process.

To meet the County's deadline (August 1) for submission of assessment data on the property tax rolls, an accurate data reporting feature is required in the BID application module. If this deadline is not met, the invoices for newly established or renewing BIDs will have to be generated manually. Notwithstanding, more BIDs are permitted to renew or establish after the deadline for the county submission of data. This increases the demands on staff in the billing unit. A proposal for an additional senior clerk typist to help in this area is included.

The impact of having adequate systems technical support for the Citywide Business Improvement District Program is paramount and will increase efficiency in both the billing and technical research units. This support would increase the Section's ability to maintain the already extremely high level of required stakeholder service delivery within the City, the BIDs and to the public. Lastly, the BIDs are highly visible and require accuracy and compliance in order to protect the stakeholders and the City. If SAS personnel are able to focus on carefully reviewing BID related issues and responding to customers' inquiries in a timely manner, rather than on information technology issues, this would greatly improve customer service and efficiency.

### **Public Counter and BID information reference library**

The current design of the office and cubicles in the Special Assessments Section allows the public to wander into the office spaces and/or sit in the cubicles in order to obtain BID related information, to pay invoices or to inquire about assessments collected or reimbursed. A addition of a public counter will provide a single point of direct public contact and improve the public's ability to process information relating to the City's BID program and services. The impact of a public counter will create a safer and more professional environment for dealing with the public while separating public and employee spaces.

### **Negative Impact of Not funding a Public Counter and Library Area**

The Department's inability to provide a public counter may result in a work environment that merges employee and public spaces which may be less professional for providing quality service to its customers.

### **BID Trust Fund Audit.**

The Controller had initiated an audit of the LATMD BIDs funds. The Controller expanded its audit to the entire BID Trust Fund (659). Achieving full special fund cost recovery for BID staff may be the intent of the audit. It should be noted that increasing recovery cost will impact the amount of services provided by each of the Business Improvement Districts. Currently, the City's recovery fees are higher than any surrounding city. The portion of salaries not supported by recovery fees should be supported by the General Fund or other available City funding source.